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Louise Regional Hospital

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

In re

VERITY HEALTH SYSTEM OF  
CALIFORNIA, INC., *et al.*,

Debtors and Debtors in Possession.

- |  |  |
|--|--|
| <input type="checkbox"/> Affects All Debtors<br><input type="checkbox"/> Affects Verity Health System of California, Inc.<br><input checked="" type="checkbox"/> Affects O'Connor Hospital<br><input checked="" type="checkbox"/> Affects Saint Louise Regional Hospital<br><input type="checkbox"/> Affects St. Francis Medical Center<br><input checked="" type="checkbox"/> Affects St. Vincent Medical Center<br><input checked="" type="checkbox"/> Affects Seton Medical Center<br><input type="checkbox"/> Affects O'Connor Hospital Foundation<br><input type="checkbox"/> Affects Saint Louise Regional Hospital Foundation<br><input type="checkbox"/> Affects St. Francis Medical Center of Lynwood Foundation<br><input type="checkbox"/> Affects St. Vincent Foundation<br><input type="checkbox"/> Affects St. Vincent Dialysis Center, Inc.<br><input type="checkbox"/> Affects Seton Medical Center Foundation<br><input type="checkbox"/> Affects Verity Business Services<br><input type="checkbox"/> Affects Verity Medical Foundation<br><input type="checkbox"/> Affects Verity Holdings, LLC<br><input type="checkbox"/> Affects De Paul Ventures, LLC<br><input type="checkbox"/> Affects De Paul Ventures - San Jose Dialysis, LLC |  |
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Lead Case No. 2:18-bk-20151-ER

Jointly administered with:  
Case No. 2:18-bk-20162-ER;  
Case No. 2:18-bk-20163-ER;  
Case No. 2:18-bk-20164-ER;  
Case No. 2:18-bk-20165-ER;  
Case No. 2:18-bk-20167-ER;  
Case No. 2:18-bk-20168-ER;  
Case No. 2:18-bk-20169-ER;  
Case No. 2:18-bk-20171-ER;  
Case No. 2:18-bk-20172-ER;  
Case No. 2:18-bk-20173-ER;  
Case No. 2:18-bk-20175-ER;  
Case No. 2:18-bk-20176-ER;  
Case No. 2:18-bk-20178-ER;  
Case No. 2:18-bk-20179-ER;  
Case No. 2:18-bk-20180-ER;  
Case No. 2:18-bk-20181-ER.

Chapter 11 Cases

Adversary No. 20-ap-01575-ER

**JOINT STATUS REPORT RE  
ARBITRATION**

**[Related to Docket No. 40]**

ST. VINCENT MEDICAL CENTER, a  
California nonprofit public benefit corporation,  
SETON MEDICAL CENTER, a California  
nonprofit public benefit corporation,  
O’CONNOR HOSPITAL, a California nonprofit  
public benefit corporation, and SAINT LOUISE  
REGIONAL HOSPITAL, a California nonprofit  
public benefit corporation,

Plaintiffs,

v.

CALIFORNIA PHYSICIANS’ SERVICE dba  
BLUE SHIELD OF CALIFORNIA, a California  
nonprofit public benefit corporation,

Defendant.

Present Hearing:

Date: June 13, 2023  
Time: 10:00 a.m.  
Place: Courtroom 1568  
255 East Temple Street  
Los Angeles, CA 90012

St. Vincent Medical Center, Seton Medical Center, O’Connor Hospital and Saint Louise  
Regional Hospital (collectively “Plaintiffs”), and California Physicians’ Service dba Blue Shield of  
California (“Defendant”, and collectively with Plaintiffs, the “Parties,”) by and through their  
counsel, herein report as follows:

On December 22, 2020, the Court entered its *Order Approving Stipulation Resolving  
Defendants’ Motion to (1) Dismiss Claims for Turnover, Violation of the Automatic Stay, and Unjust  
Enrichment; and (2) Compel Arbitration and Stay Adversary Proceeding* [Dkt No. 26] (the “Order”).

Through its Order entered December 8, 2022 [Dkt. No. 40], the Court set June 13, 2023 at  
10:00 a.m. as the date for a status conference in relation to the Order.

On May 28, 2021, Plaintiffs, through their arbitration counsel, the Law Offices of  
Stephenson Acquisto & Colman, filed their arbitration demands with the American Arbitration  
Association pursuant to the terms of the agreements between the Parties and served same on  
Defendant upon issuance of case numbers by AAA. Pursuant to stipulation between the Parties, the  
arbitrations were consolidated.

The Parties are pleased to report that since the last status report submitted to the Court [Dkt.  
No. 39], an agreement has been reached to resolve the claims presented in the arbitration, and that  
while final documentation has been prepared and executed, payment and final consummation of the  
settlement has yet to occur, but is imminent.

1 Pending consummation of the settlement, which will call for a dismissal of this litigation, and  
2 in an abundance of caution, the Parties request that that Court set a further Status Conference on a  
3 date at least six months hence.

4 Dated: May 26, 2023

PACHULSKI STANG ZIEHL & JONES LLP

7 /s/ Steven J. Kahn

8 Steven J. Kahn

9 Gail S. Greenwood

10 Counsel for St. Vincent Medical Center,  
Seton Medical Center, O'Connor Hospital,  
and Saint Louise Regional Hospital

11 Dated: May 26, 2023

SNELL & WILMER LLP

14 /s/ Michael B. Reynolds

15 Michael B. Reynolds

16 Andrew B. Still

17 Counsel for California Physicians' Service  
18 dba Blue Shield of California  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
**10100 Santa Monica Boulevard, 13<sup>th</sup> Floor, Los Angeles, California 90067**

A true and correct copy of the foregoing document entitled (*specify*): **JOINT STATUS REPORT RE ARBITRATION** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **May 26, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Steven J Kahn** skahn@pszyjw.com
- **Michael B Reynolds** mreynolds@swlaw.com, kcollins@swlaw.com
- **Andrew Still** astill@swlaw.com, kcollins@swlaw.com
- **United States Trustee (LA)** ustpregion16.la.ecf@usdoj.gov

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

May 26, 2023  
Date

Mary de Leon  
Printed Name

/s/ Mary de Leon  
Signature